

[STAFF WORKING DRAFT]

JULY 14, 2003

108TH CONGRESS
1ST SESSION

S. ———

To amend the Ted Stevens Olympic and Amateur Sports Act.

IN THE SENATE OF THE UNITED STATES

JULY ———, 2003

Mr. MCCAIN introduced the following bill; which was read twice and referred
to the Committee on —————

A BILL

To amend the Ted Stevens Olympic and Amateur Sports
Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “United States Olympic
5 Committee Reform Act”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

8 (1) There is a widespread loss of confidence in
9 the United States Olympic Committee.

1 (2) Restoring confidence in the United States
2 Olympic Committee is critical to achieving the origi-
3 nal intent of the Ted Stevens Amateur and Olympic
4 Sports Act.

5 (3) Confusion exists concerning the primary
6 purposes and priorities of the United States Olympic
7 Committee.

8 (4) The current governance structure of the
9 United States Olympic Committee is dysfunctional.

10 (5) The ongoing national corporate governance
11 debate and recent reforms have important implica-
12 tions for the United States Olympic Committee.

13 (6) There exists no clear line of authority be-
14 tween the United States Olympic Committee volun-
15 teers and the United States Olympic Committee paid
16 staff.

17 (7) There is a widespread perception that the
18 United States Olympic Committee lacks financial
19 transparency.

20 **SEC. 3. AMENDMENT OF TED STEVENS OLYMPIC AND AMA-**
21 **TEUR SPORTS ACT.**

22 Except as otherwise expressly provided, whenever in
23 this Act an amendment or repeal is expressed in terms
24 of an amendment to, or repeal of, a section or other provi-
25 sion, the reference shall be considered to be made to a

1 section or other provision of the Ted Stevens Olympic and
2 Amateur Sports Act (36 U.S.C. 220501 et seq.).

3 **SEC. 4. GOVERNANCE OF THE UNITED STATES OLYMPIC**
4 **COMMITTEE.**

5 (a) IN GENERAL.—The Act (36 U.S.C. 220501) is
6 amended by adding at the end the following:

7 “SUBCHAPTER III. GOVERNANCE

8 “§ 220541. Board of directors

9 “(a) IN GENERAL.—The board of directors is the
10 governing body of the corporation and shall establish the
11 policies and priorities of the corporation. The board of di-
12 rectors shall have the full authority to manage the affairs
13 of the corporation.

14 “(b) STRUCTURE OF THE BOARD.—

15 “(1) IN GENERAL.—The board of directors
16 shall consist of 9 elected members and the ex officio
17 members described in paragraph (3).

18 “(2) ELECTED MEMBERS.—The elected direc-
19 tors, elected as provided in subsection (g), are—

20 “(A) 5 independent directors, as defined in
21 the constitution and bylaws of the corporation;

22 “(B) 2 directors elected from among those
23 nominated by the Athletes’ Advisory Council,
24 who at the time of nomination meet the speci-

1 fications of section 220504(b)(2)(B) of this
2 title; and

3 “(C) 2 directors elected from among those
4 nominated by the National Governing Bodies’
5 Council.

6 “(3) EX OFFICIO MEMBERS.—The ex officio
7 members are—

8 “(A) the speaker of the assembly; and

9 “(B) the International Olympic Committee
10 member or members from the United States
11 who are required to be ex officio members of
12 the executive organ of the corporation under
13 the terms of the Olympic Charter.

14 “(c) TERMS OF OFFICE.—

15 “(1) ELECTED DIRECTORS.—The term of office
16 of an elected director shall be 4 years. An individual
17 elected to replace a director who does not serve a
18 full 4-year term shall be elected initially to serve
19 only the balance of the expired term of the member
20 that director replaces. No director shall be eligible
21 for reelection, except a director whose total period of
22 service, if elected, would not exceed 6 years. The
23 chair of the board shall be eligible to serve an addi-
24 tional 2 years as required to complete his or her
25 term as chair.

1 “(2) STAGGERED TERMS.—Notwithstanding
2 paragraph (1), of the directors first elected to the
3 board after the date of enactment of the United
4 States Olympic Committee Reform Act—

5 “(A) 2 of the directors elected under para-
6 graph (2)(A) shall be elected for terms of 2
7 years;

8 “(B) 3 of the directors elected under para-
9 graph (2)(A) shall be elected for terms of 4
10 years;

11 “(C) 1 of the directors elected under para-
12 graph (2)(B) shall be elected for a term of 2
13 years;

14 “(D) 1 of the directors elected under para-
15 graph (2)(B) shall be elected for a term of 4
16 years;

17 “(E) 1 of the directors elected under para-
18 graph (2)(C) shall be elected for a term of a
19 term of 2 years; and

20 “(F) 1 of the directors elected under para-
21 graph (2)(C) shall be elected for a term of a
22 term of 4 years.

23 “(3) EX OFFICIO MEMBERS.—The speaker of
24 the assembly shall serve as a non-voting ex officio
25 member of the board while holding the position of

1 speaker of the assembly. An International Olympic
2 Committee member shall serve as an ex officio mem-
3 ber of the board for so long as the member is a
4 member of that Committee.

5 “(d) VOTING.—

6 “(1) ELECTED MEMBERS.—Each elected direc-
7 tor shall have 1 vote on all matters on which the
8 board votes, consistent with the constitution and by-
9 laws of the corporation.

10 “(2) EX OFFICIO MEMBERS.—Each voting ex
11 officio member shall have 1 vote on matters on
12 which the ex officio members vote, consistent with
13 the constitution and bylaws of the corporation, and
14 the votes of the ex officio members shall be weighted
15 such that, in the aggregate, the votes of all voting
16 ex officio members are equal to the vote of one elect-
17 ed director.

18 “(3) TIE VOTES.—In the event of a tie vote of
19 the board, the vote of the chair of the board shall
20 serve to break the tie.

21 “(4) QUORUM.—The board may not take action
22 in the absence of a quorum, which shall be 7 mem-
23 bers, of whom at least 3 shall be members described
24 in subsection (b)(2)(A).

1 “(e) CHAIR OF THE BOARD.—The board shall elect
2 1 of the members described in subsection (b)(2) to serve
3 as chair of the board first elected after the date of enact-
4 ment of the United States Olympic Committee Reform
5 Act. The chair of the board shall preside at all meetings
6 of the board and have such other duties as may be pro-
7 vided in the constitution and bylaws of the corporation.
8 No individual may hold the position of chair of the board
9 for more than 4 years.

10 “(f) COMMITTEES.—

11 “(1) IN GENERAL.—The board of directors
12 shall establish the following 4 standing committees:

13 “(A) The Audit Committee.

14 “(B) The Compensation Committee.

15 “(C) The Ethics Committee.

16 “(D) The Nominating and Governance
17 Committee.

18 “(2) COMMITTEE MEMBERSHIP.—The Com-
19 pensation Committee shall consist of 3 board mem-
20 bers selected by the board. The Audit Committee,
21 Ethics Committee, and Nominating and Governance
22 Committee shall each consist of—

23 “(A) 3 board members described in sub-
24 section (b)(2)(A), selected by the board;

1 “(B) 1 board member described in sub-
2 section (b)(2)(B), selected by the board; and

3 “(C) 1 board member described in sub-
4 section (b)(2)(C), selected by the board.

5 “(3) ADDITIONAL COMMITTEES.—The board
6 may establish such additional committees, sub-
7 committees, and task forces as may be necessary or
8 appropriate and for which sufficient funds exist.

9 “(g) NOMINATION AND ELECTION.—

10 “(1) IN GENERAL.—The nominating and gov-
11 ernance committee shall recommend candidates to
12 the board of directors to fill vacancies on the board
13 as provided in the constitution and bylaws of the
14 corporation. For each vacancy that is to be filled by
15 a nominee of the Athletes’ Advisory Council or the
16 National Governing Bodies’ Council, the Athletes’
17 Advisory Council or the National Governing Bodies’
18 Council shall recommend 3 individuals to the nomi-
19 nating and governance committee, which shall nomi-
20 nate 1 of the recommended individuals to the board
21 of directors.

22 “(2) RECUSAL OF MEMBERS ELIGIBLE FOR RE-
23 ELECTION.—Any member of the nominating and
24 governance committee who is eligible for re-election
25 by virtue of serving for an initial term of less than

1 2 years shall be recused from participation in the
2 nominating and recommendation process.

3 “(3) BOARD TO ELECT MEMBERS.—Except as
4 provided in section 4(c)(2) of the United States
5 Olympic Committee Reform Act, the board of direc-
6 tors shall elect directors from the candidates pro-
7 posed by the nominating and governance committee.

8 **“§ 220542. Assembly**

9 “(a) IN GENERAL.—

10 “(1) FORUM FUNCTION.—The assembly shall
11 be a forum for all stakeholders of the corporation.
12 The assembly shall have an advisory function only,
13 except as otherwise expressly provided in this chap-
14 ter.

15 “(2) VOTING ON MATTERS RELATING TO THE
16 OLYMPIC GAMES.—The assembly shall have the right
17 to vote on, and shall have ultimate authority to de-
18 cide, matters relating to the Olympic Games. The
19 board of directors shall determine whether a matter
20 is a question relating to the Olympic Games on
21 which the assembly is entitled to vote. The deter-
22 mination of the board shall be final and binding.

23 “(4) MEETINGS.—The assembly shall convene
24 annually in a meeting open to the public. The board

1 of directors may convene special meetings of the as-
2 sembly.

3 “(5) ANNUAL BUDGET.—The board of directors
4 shall establish an annual budget for the assembly, as
5 provided in the constitution and bylaws of the cor-
6 poration. In establishing the budget, the board of di-
7 rectors shall take into account the interest of the
8 corporation in minimizing the costs associated with
9 the assembly.

10 “(b) STRUCTURE OF THE ASSEMBLY.—

11 “(1) IN GENERAL.—The assembly shall consist
12 of—

13 “(A) representatives of the constituencies
14 of the corporation specified in section 220504
15 of this title (other than former United States
16 Olympic Committee members);

17 “(B) the International Olympic Commit-
18 tee’s members for the United States; and

19 “(C) not more than 3 individuals who have
20 represented the United States in an Olympic
21 Games not within the preceding 10 years, se-
22 lected through a process to be determined by
23 the board of directors in accordance with the
24 constitution and bylaws of the corporation.

1 “(2) AMATEUR ATHLETE REPRESENTATION.—

2 Amateur athletes shall constitute not less than 20
3 percent of the membership in the assembly.

4 “(c) VOTING.—

5 “(1) REPRESENTATIVES OF THE NATIONAL
6 GOVERNING BODIES.—Representatives of the na-
7 tional governing bodies shall constitute not less than
8 51 percent of the voting power held in the assembly.

9 “(2) AMATEUR ATHLETES.—Amateur athletes
10 shall constitute not less than 20 percent of the vot-
11 ing power held in the assembly.

12 “(d) SPEAKER OF THE ASSEMBLY.—The speaker of
13 the assembly shall be a member of the assembly (who, as
14 a member, is entitled to vote) who is elected by the mem-
15 bers of the assembly for a 4-year term. An individual may
16 not serve as speaker for more than 4 years. The speaker
17 shall preside at all meetings of the assembly and serve as
18 a non-voting ex officio member of the board of directors
19 as provided in section 220541. The speaker shall have no
20 other duties or powers (other than the right to vote), ex-
21 cept as may be expressly assigned by the board of direc-
22 tors.

23 **“§ 220543. Chief executive officer**

24 “(a) IN GENERAL.—The corporation shall have a
25 chief executive officer who shall not be a member of the

1 board of directors. The chief executive officer shall be se-
2 lected by, and shall report to, the board of directors, as
3 provided in the constitution and bylaws of the corporation.
4 The chief executive officer shall be responsible, with board
5 approval, for filling other key senior management posi-
6 tions as provided in the constitution and bylaws of the cor-
7 poration.

8 “(b) DUTIES.—The chief executive officer shall, ei-
9 ther directly or by delegation—

10 “(1) manage all staff functions and the day-to-
11 day affairs and business operations of the corpora-
12 tion, including but not limited to relations with
13 international organizations; and

14 “(2) implement the mission and policies of the
15 corporation, as determined by the Board.

16 **“§ 220544. Whistleblower procedures and protections**

17 “The corporation, through the board of directors,
18 shall establish procedures for—

19 “(1) the receipt, retention, and treatment of
20 complaints received by the corporation regarding ac-
21 counting, auditing or ethical matters; and

22 “(2) the protection against retaliation by any
23 officer, employee, director or member of the corpora-
24 tion against any person who submits such com-
25 plaints.”.

1 (b) TRANSITION.—The individuals serving as mem-
2 bers of the board of directors of the United States Olympic
3 Committee on the date of enactment of this Act shall con-
4 tinue to serve as the board of directors until a board of
5 directors has been elected under subsection (c)(2) of this
6 section.

7 (c) INITIAL NOMINATING AND GOVERNANCE COM-
8 MITTEE.—

9 (1) IN GENERAL.—Until the initial board of di-
10 rectors has been elected and taken office, the nomi-
11 nating and governance committee required by sec-
12 tion 220541(f) of title 36, United States Code, shall
13 consist of—

14 (A) 1 individual selected by the Athlete's
15 Advisory Council from among its members;

16 (B) 1 individual selected by the National
17 Governing Bodies' Council from among its
18 members;

19 (C) 1 individual selected by the public-sec-
20 tor directors of the United States Olympic
21 Committee from among such directors serving
22 on the date of enactment of this Act;

23 (D) 1 individual selected by the Inde-
24 pendent Commission on Reform of the estab-
25 lished by the United States Olympic Committee

1 in March, 2003, from among its members, who
2 shall chair the committee; and

3 (E) 1 individual selected by the Govern-
4 ance and Ethics Task Force established by the
5 United States Olympic Committee in February,
6 2003, from among its members.

7 (2) ELECTION OF NEW BOARD OF DIREC-
8 TORS.—The nominating and governance committee
9 established by paragraph (1) shall—

10 (A) elect an initial board or directors who
11 shall serve for the terms provided in section
12 220541(c)(2) of title 36, United States Code;
13 and

14 (B) elect 1 of the members described in
15 section 220541(b)(2)(A) of that title to serve as
16 chair until the terms of the members elected
17 under subparagraph (A) have expired.

18 (d) CONFORMING AMENDMENTS.—

19 (1) REPRESENTATION REQUIREMENTS.—Sec-
20 tion 220504(b) is amended—

21 (A) by striking “representation of—” and
22 inserting “representation on its board of direc-
23 tors and in its assembly of—”; and

24 (B) by striking subparagraph (B) of para-
25 graph (2) and inserting the following:

1 “(B) ensure that—

2 “(i) the membership and voting power
3 of such amateur athletes is not less than
4 20 percent of the membership and voting
5 power of each committee, subcommittee,
6 working group, or other subordinate deci-
7 sion-making group, of the corporation; and

8 “(ii) the voting power held by mem-
9 bers of the board of directors who were
10 nominated by the Athlete’s Advisory Coun-
11 cil is not less than 20 percent of the total
12 voting power held in the board of direc-
13 tors;”.

14 (2) CONSTITUTION AND BYLAWS.—Section
15 220505(a) is amended—

16 (A) by striking “bylaws.” and inserting
17 “bylaws consistent with this chapter, as deter-
18 mined by the board of directors. The board of
19 directors shall adopt and amend the constitu-
20 tion and bylaws of the corporation, consistent
21 with this chapter.”;

22 (B) by inserting “the board of directors
23 proposes and approves by majority vote such an
24 amendment and” after “only if”; and

1 (C) by striking “publication,” in paragraph
2 (1) and inserting “publication and on its
3 website,”.

4 (3) OMBUDSMAN TO REPORT TO BOARD OF DI-
5 RECTORS.—Section 220509(b) is amended—

6 (A) by inserting “the board of directors
7 and” in paragraph (1)(C) after “report to”;

8 (B) by striking “corporation’s executive di-
9 rector” in paragraph (2)(A)(i) and inserting
10 “board of directors”;

11 (C) by striking clauses (ii) and (iii) of
12 paragraph (2)(A) and inserting the following:

13 “(ii) The board of directors shall hire
14 or not hire such person after fully consid-
15 ering the advice and counsel of the Ath-
16 lete’s Advisory Council.”;

17 (D) by striking “corporation” the first
18 place it appears in paragraph (2)(B) and in-
19 serting “board of directors”;

20 (E) by striking “to the corporation’s execu-
21 tive committee by either the corporation’s exec-
22 utive director” in paragraph (2)(B)(ii) and in-
23 serting “by 1 or more members of the board of
24 directors”; and

1 (F) by striking “corporation’s executive
 2 committee” in paragraph (2)(B)(iii) and insert-
 3 ing “board of directors”.

4 (4) ELIGIBILITY REQUIREMENTS.—Section
 5 220522(a)(4)(B) is amended by striking “corpora-
 6 tion’s executive committee” and inserting “board of
 7 directors”.

8 (5) CHAPTER ANALYSIS.—The chapter analysis
 9 for chapter 2205 of title 36, United States Code, is
 10 amended by adding at the end the following:

“SUBCHAPTER III. GOVERNANCE

“220541. Board of directors

“220542. Assembly

“220543. Chief executive officer

“220544. Whistleblower procedures and protections”.

11 **SEC. 5. REPORTS.**

12 Section 220511 is amended—

13 (1) by striking so much of subsection (a) as
 14 precedes paragraph (2) and inserting the following:

15 “(a) BIENNIAL REPORT.—On or before the first day
 16 of June of every other year, the corporation shall transmit
 17 simultaneously to the President and to each House of Con-
 18 gress a detailed report of its operations for the preceding
 19 2 years, including—

20 “(1) annual financial statements—

1 “(A) audited in accordance with generally
2 accepted accounting principles by an inde-
3 pendent certified public accountant; and

4 “(B) certified by the chief executive officer
5 and the chief financial officer of the corporation
6 as to their accuracy and completeness;”;

7 (2) by striking “4-year period;” in subsection
8 (a)(2) and inserting “2-year period;” and

9 (3) by inserting “free of charge on its website
10 (or via a similar medium that is widely available to
11 the public), and otherwise” in subsection (b) after
12 “persons”.

○